

COMMONWEALTH OF VIRGINIA

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VIRGINIA HOUSING COMMISSION

SUMMARY

Neighborhood Transitions and Residential Land Use

Wednesday, November 28, 2018, 10:00 a.m.

House Room 1, The Capitol

The Neighborhood Transitions and Residential Land Use Workgroup meeting was called to order at 10:10 am by Senator Mamie Locke, Chair.

Workgroup Members in attendance:

Senator Mamie Locke, *Chair*; Delegate David Bulova, Delegate Betsy Carr, Laura D. Lafayette, *Gubernatorial Appointee*; Lawrence Pearson, *Gubernatorial Appointee*; Tyler Craddock, *VA Association of Housing & Community Development Officials*; Chip Dicks, *Virginia Association of Realtors*; Brian Gordon, *Apartment & Office Bldg. Association of Metropolitan Washington*; Michelle Gowdy, *Virginia Municipal League*; Kelly Harris-Braxton, *Virginia First Cities*; Barry Merchant, *Virginia Housing Development Authority*; A. Vaughn Poller, *Hampton Roads Housing Commission*; Earl Reynolds, *City of Danville, Community Development Director*; Ed Rhodes, *Rhodes Consulting*; Neal Rogers, *Virginia Housing Development Authority*; Elizabeth Palen, *Executive Director*

Martha A. Walker, Ph.D., Virginia Tech/ Virginia Cooperative Extension spoke to the group regarding agri-business and their effect on Virginia building codes. Wineries are part of agro-tourism but they must be on a farm and part of the farm experience. A farm, first and foremost, must be a working farm and a winery or other businesses must just offer alternate revenue streams. This issue may be further explored in the 2019 interim.

Eric Dunn, Director of Litigation, at the National Housing Law Project presented a proposed draft regarding rent-to-own residential housing purchases, also referred to as installment contracts. He stated that for two-thirds of Americans their financial worth is concentrated in their home s. and is generally a financial benefit to the homeowner.

Rent-to own shifts many burdens to the tenant without the rewards as they don't acquire equity in the home. Nationally 100,000 plus homes have been foreclosed upon and purchased by private equity firms. Mostly they are substandard houses and cannot be rented in a regular rental market agreement so they are marketed as rent-to-own. The owners are self-financing so there is no mortgage company overseeing the transaction.

DELEGATE DANNY W. MARSHALL
DELEGATE DAVID L. BULOVA
DELEGATE BETSY CARR
DELEGATE BARRY D. KNIGHT
DELEGATE CHRISTOPHER K. PEACE

SENATOR MAMIE E. LOCKE
SENATOR GEORGE L. BARKER
SENATOR WILLIAM M. STANLEY, JR.

CYNTHIA HALL
LAURA D. LAFAYETTE
LAWRENCE PEARSON

In Virginia currently these arrangements are not regulated. The proposed draft lists a series of things that the contract may contain to assure that the contract is more balanced including disclosing liens or encumbrances, recording it as a land record notarized signatures, among other provisions.

Agreement was not reached by the workgroup on whether or not shall should replace may. With the understanding that word changes may take place, this proposed bill was approved to move forward by the workgroup and will be voted on by the full Commission on December 11 of this year.

Drafts of six bills, all the comprise product of the work from the Evictions Sub-Workgroup, were separately presented to the workgroup. Chip Dicks first presented a scenario clearly explaining the process of a tenant receiving an unlawful detainer

The first discussion draft deals with reforming the appeal bond process, after an explanation of the current process, changes were discussed with the points made that only unlawful detainer of residential dwelling units, Brandy Singleton, attorney on behalf of the Office of the Supreme Court questioned the court calculating the amount of rent due and it was suggested on the discussion draft to add notice to the tenant on lines 40 and 41.

Bill draft number two discusses duplicate filings and reduces judgement to one coordinated legal action. Suggestions were made to add the words unless adjudicated on line 50 and the lines 56 to 59 are currently still under discussion.

Draft number three calls for all residential leases to be in written form.

Bill draft number four automatically vacates writs of possession that have not been served in order to encourage the parties to work out the money dispute. The fourth bill draft allows all costs to be paid two days prior to the sheriff executing the writ - essentially a pay -to-stay provision.

The fifth draft is a reform of the tenant's right of redemption. It presents two options in regard to the tenant's right of redemption. the initial one allows all fees claimed on the summons in unlawful detainer, including rent, damages, late fees court costs and other costs to be paid into a court escrow account no later than 48-hours before the writ is to be executed. The second option simply grants the tenant the right to invoke his right of redemption three times in one 12-month period of continuous residency instead of the previous one-time being allowed.

The sixth draft establishes a program for diversion for evictions similar to drug courts. The pilot program would take place in Danville, Hampton and Richmond. A program modeled after Michigan might be used, data points would be collected. This would need a budget amendment and is not yet flushed out.

A motion was made and seconded for discussion drafts one through five to move forward to the full Commission and the sixth draft was agreed to in concept to be moved forward for a vote by the full Commission.

Elizabeth Palen then briefed the Workgroup on the Manufactured Home Lot Rental Act and the legislation referred to the workgroup. The legislation would provide for a right of first refusal to (i) a resident association of the mobile home community, (ii) a non-profit organization or (iii) a locality, whenever a manufactured home community is being sold. Palen stated that all interested parties had met and it was determined that the legislation did not have enough support to proceed this interim. and not recommended to go forward this legislative session.

The chair called for public comment, hearing none, the meeting was adjourned at 1:30 PM.